Overdrafts by States

†3786. SHRI BANWARI LAL KANCHHAL: Will the Minister of FINANCE be pleased to state:

(a) whether many States are facing the problem of over draft, at present; and

(b) if so, the details of amount of overdrafts by each State, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. As on 23rd April, 2008, no State is on overdraft.

(b) Does not arise.

Guidelines regarding deposit and lending for Banks

3787. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state:

(a) whether there is any guideline of Reserve Bank of India for banks regarding deposit and lending;

(b) if so, whether banks are implementing it;

(c) whether it is a fact that SBI, UCO Bank and Andhra Banks lending in Orissa is much less in comparison to the deposit; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Yes, Sir. Public Sector Banks were advised by Reserve Bank of India (RBI) to achieve a Credit Deposit (CD) ratio of 60% in respect of their rural and semi-urban branches, separately, on an all India basis and to ensure that wide disparity in the ratios between different States/Regions is avoided in order to minimize regional imbalances in credit deployment.

To ensure implementation of this guideline, RBI had advised the Convenor Banks, of the States to monitor the CD ratio in the State Level Bankers' Committee (SLBC) meetings and identify measures for enhancing the CD ratio. RBI had also advised the banks to set up Special Sub Committees (SSCs) of the District Level Consultative Committees in districts having CD ratio of less than 40% in order to monitor the CD ratio and draw up Monitorable Action Plans (MAPs) to increase the CD ratio.

However, CD ratio to a large extend depends upon a number of factors such as the credit absorption capacity of a State, availability of adequate infrastructure facilities, development of core sector projects, large and medium industries entrepreneurial initiatives, conducive atmosphere for investment, satisfactory recovery position of bank dues, initiatives taken by the State Government to create a climate conducive to the enhancement of flow of credit in the State etc.

As reported by RBI, the CD Ratio of Orissa during the years ending 31st March, 2005, 2006 & 2007 was 62.2%, 65.2% and 64% respectively.

† Original notice of the question was received in Hindi.

As on 31st March 2005, 2006 and 2007, the details of the total deposit and outstanding credit in Orissa, as reported by RBI, in respect of State Bank of India (SBI), UCO Bank and Andhra Bank are as under:

(Rs. lakh)

	2005		2006		2007	
Bank	Deposit	Credit	Deposit	Credit	Deposit	Credit
STATE BANK OF INDIA	887078	562473	1083957	760667	1380327	1036983
UCO BANK	264591	183673	294655	235367	328979	271157
ANDHRA BANK	135280	41716	145209	49925	188609	49973

Note: Data for the year 2007 is provisional
Source: BSR-1 and 2 surveys

Registration of anchor advisers

3788. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether many of the private TV channels, engaging anchor advisers to guide small investors in stock markets, ensure that such anchor advisers comply with the existing disclosure norms for investment advisors;

(b) whether stock market regulators like UKs Financial Service Authority and the Security Exchange Commission (SEC) of the USA require such anchors advisors to register with the regulatory authority and comply with all disclosure norms; and

(c) whether the Securities and Exchange Board of India (SEBI) will examine the adaptability of SEC of the US for framing its guidelines in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) SEBI has informed that it does not regulate anchor advisers, hence no disclosure norms are prescribed for the same. As per the information available on SEC website, investment advisers are regulated under the Investment Advisers Act of 1940.

(c) At present, there is no such proposal.

Suggestion to cut interest rates

3789. MS. SUSHILA TIRIYA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has received suggestions from various intellectual/companies to cut interest rates;

(b) if so, the details thereof; and

(c) the response of Government to the suggestions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Determination of interest rates on advances and deposits by Scheduled Commerical Banks (SCBs) is within the purview of the Reserve Bank of India (RBI). All suggestions received by the Government in this respect are forwarded to the RBI for consideration.